

CONFIDENTIAL
DD/A Registry
File 01112-1
DC-M77-561
24 AUG 1977

MEMORANDUM FOR: Acting Deputy Director for Administration
FROM: [REDACTED]
Director of Communications
SUBJECT: Inspector General's Report (U/AIUO)

1. (U/AIUO) The draft Inspector General Report of 15 August 1977 has been reviewed. In large measure it is a disappointing report. The disappointment stems not from the explicit and implicit criticisms, for these are useful and helpful to management. Rather, it stems from the somewhat unsubstantial result of a considerable effort.

2. (U/AIUO) For the most part, the comments contained in the report are not substantiated by facts. The comments appear to be a potpourri of opinions developed by interviewing. For example, the report states that CDS is understaffed and, according to the inspectors, this perception is based upon the fact that the people interviewed stated they were overworked. Certainly work load should be susceptible to statistical analysis. Again, the report states: "The situation was not helped when so many of the vacant positions were filled by engineers who were of the appropriate grade, but lacked field and managerial experience." This simply is not true, and a review of T/O's and individual personnel records would have demonstrated this.

3. (U/AIUO) It is also disappointing to note that many of the recommendations made by the inspectors had already been put into effect before the survey began. Attached are our comments on specific recommendations and conclusions.

4. (U/AIUO) The inspectors themselves were extremely pleasant individuals. Our people have generally described them as hardworking officers dedicated to a meaningful

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SUBJECT: Inspector General's Report (U/AIUO)

survey. It is regrettable in our opinion that the results of their efforts were not more substantial.



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Att.

OC Comments Re IG Survey

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OC Comments on the Inspector General's
Survey of the Office of Communications

Recommendation 1: Create the position of master journeyman at the GS-10 level.

During January 1977, after a discussion of this problem with Mr. Blake, I called together the Chief of the OC Career Management & Training Division [REDACTED] of PMCD to ask that an effort be made to establish a senior journeyman at the GS-10 level for approximately 40 or 50 positions throughout the network. During the briefing of members of the IG Survey Team, we explained this effort and pointed out that PMCD had unfortunately not found time to work on this problem even though I explained that the Office of Communications considered it very important.

Recommendation 2: Use of QSI and achievement awards.

During the initial briefing of members of the IG Team, we pointed out that we were attempting to increase the use of QSI's and achievement awards to improve our recognition of our people and to help compensate for the lack of promotion headroom. In fact, the statistics of the past two years reflect this effort.

<u>QSI's</u>	<u>OC</u>	<u>Agency</u>
1975	2.9%	4.9%
1976	6.3%	4.6%
TQ	1.7%	1.0%

Recommendation 3: Use secret ballots in CEL process.

Concur.

Recommendation 4: Provide timely information on vacancies.

During the early part of the survey our EPVL system which has been in operation for over a year was described to members of the team.

The Expected Personnel Vacancy List (EPVL) was developed during the summer of 1976. It lists all vacancies expected to occur during the 12-24 month time period from the date of distribution. It also includes a Post Assignment Guide (PAG) which provides information on the amenities pertinent to those posts where vacancies exist. The PAG includes such information as post differential, cost of living allowance, furnished or unfurnished quarters, level of education available, medical facilities, etc. The total report is published quarterly. The first report was published in December 1976.

Recommendation 5: Publish newsletter monthly and include promotion and award announcements.

One of the reasons for the suspension of the newsletter in past years was the difficulty in obtaining a continual flow of interesting topical information. Monthly rather than quarterly publication will exacerbate this problem. We will, however, experiment with bi-monthly publication and include promotion and award announcements.

Recommendation 6: Increase Cable Secretariat staffing.

Since April 1977 (more or less the entire time of the survey) the Automated Cable Dissemination System (CDS) has been under acceptance test in the Cable Secretariat. This process, which is now completed, required traffic to be simultaneously processed by the automated and manual methods. Obviously the dual processing required substantially increased manpower and extensive use of overtime. The alternative to use of overtime would have been to hire and train additional people for a short period (four months) who would not be required upon completion of CDS testing. Once CDS is fully operational, we expect to experience a work load which will be about equal to our current staffing. If this should not prove to be the case, we will request a survey to determine if there is a need to increase or decrease manpower.

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Recommendation 7: Establish long range planning.

During November 1976 we initiated the staffing for a Planning Staff to concentrate on long range planning. The staff was established on 17 January 1977 by OC Notice No. 01-77. During the survey period the Planning Staff was a new but functioning part of OC.

Recommendation 8: DDO and D/CO jointly remind users that communications is not free.

The Office of Communications works with the Directorate of Operations on a continuing basis to resolve communications work load problems on a case-by-case basis. A problem concerning the transmission of very lengthy management reports was brought to the attention of the DDO in 1976, and Chiefs of Station were instructed to take corrective action. More drastic or universal actions have not been deemed necessary since traffic volumes have only increased 10 percent in the past five years or at an average rate of 2 percent a year--a manageable rate for our present system and staff. However, there is a trend to exchange more information between the field and headquarters electrically in the future to increase efficiency, improve security and to allow for modern management techniques. Projected DDO systems such as the Clandestine Records Application Field Terminal (CRAFT) and Collection of Operational Messages Electrically Transmitted (COMET) and possible demands for exchange of financial, logistics and administrative information in data form between the field and headquarters in order to reduce overseas support personnel positions will call for increased electrical information exchanges in the future. The Office of Communications has responded to these demands by developing systems which are less labor intensive. SKYLINK decreases the burden of circuit maintenance on the operator. SKYMUX, a multi-channel modification to SKYLINK, will shift work away from the Agency operator to the [REDACTED] and indigenous personnel by allocating separate circuits. The Automated Field Terminal (AFT) is designed to handle increasing information exchanges while decreasing work load. In summary, the Office is working to provide the most modern communication service possible for the DDO and the Agency as a whole while decreasing the burden upon our operators and challenging them to work in a more technically sophisticated environment.

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Recommendation 9: Define the communications security threat and develop procedures.

9(a) In November 1976 OC-CS assigned a staff officer to work on the compilation of a CIA communications threat data base. In pursuing this effort, OC-CS has found that threat information is not centralized within any one office or component within CIA, or for that matter, within any one agency within the Intelligence Community. An example of the condition that exists is typified by the fact that to pull together sufficient information for a threat assessment requires contacting up to ten different CIA components and several other intelligence agencies. OC-CS has taken the initiative to bring this situation to the forefront and was responsible for a 15 July 1977 meeting on the centralization of threat information among CIA offices that have access to and produce this type of intelligence. The outcome of this meeting was a unanimous recommendation to establish a threat information focal point within the DDI.

9(b) This appears to be a summation of numerous comments known to have been passed to the inspectors by our staff members. These comments are to the effect that OC has Agency COMSEC responsibility but without any real regulatory authority; that this lack of authority allows Agency elements to willfully avoid COMSEC involvement in planning and project activity; and owing to these factors COMSEC guidance too often is injected in "mid-stream" causing funding and scheduling impacts that perpetuate the negative image the staff perceives to exist.

There is open debate as to whether modifications to the regulations will satisfactorily address these problems. There is a strong advocate who feels that regulations requiring OC-CS coordination on all communications, ADP and Word Processing procurements will solve the problem. The other position is that such a procedure would result in an overwhelming resource drain with little likelihood of eliminating the root causes of current complaints. In this case the preferred attack is to get organizationally closer to the customer and increase employee awareness of COMSEC in hopes that elements will seek out and accept positively the guidance the staff provides. It would have been helpful if the IG Report had been more specific in identifying the specific actions recommended.

Recommendation 10: Program of communication security education.

Results from a discussion between Chief, OC-CS and one of the inspectors. The inspector posed the question of whether there was any area where COMSEC should be doing a better job. The response was, "Yes. In the field of COMSEC education to the Agency in general." It was amplified that we recognized the deficiency but were constrained by resource limitations from moving effectively on an issue that large. It was also pointed out that the problem is prevalent in all agencies and departments and is not unique to CIA. Chief, OC-CS opined that the organization best placed to routinely intercept all Agency employees for training is OTR. There was no further discussion regarding how such training might be instituted.

Inexperienced Engineers (Page 12) - The statement that many of the vacant positions were filled by engineers who lacked field and managerial experience is simply not true and should be removed from this report.

Marriage to Foreign Nationals (Page 23) - We would welcome uniform application of security rules to all Agency employees.

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25X1A Per Diem at [REDACTED] (Page 24) - The per diem at [REDACTED] was reviewed about a year ago and \$12 judged to be adequate. We will review it again this year.

Voluntary/Involuntary Retirement (Page 24) - The use of this process is intended to correct a surplus of personnel. As such, it should be used only as necessary since it tends to increase the number of young annuitants on the retirement roles straining the system. Generally, OC does not have a problem balancing recruitment against attrition and therefore not becoming surplus. We should not be criticized for good management.

Career Counseling (Page 25) - There is always a question as to whether a professional career counselor who doesn't understand "commo" and overseas living problems, etc., is better than a communicator trained in career counseling. Our opinion is that the latter is more effective. We have

devoted a great deal of effort to assuring that those chosen for the counseling job have been well trained.

Management Philosophy - Centralized vs. Decentralized
(Page 48) - The Office of Communications is organized in a decentralized fashion as defined by almost every management theorist. The overseas areas [REDACTED] are located conveniently to deal with customers and care for their needs. Field station correspondence, other than routine administrative exchanges, are directed to the cognizant area for action and the Area Chief determines what matters require referral to Headquarters. They control the material required to maintain their portion of the communications network through their own logistics establishment. They manage the personnel assigned to their area, oversee the personnel evaluation process and have the basic input to the promotion process. The areas submit their yearly budget for inclusion in the OC submission and have a degree of latitude concerning adjustments to the programs for their area. The D/CO, as the Chief Executive of the Office, must retain the policy making function to ensure that a standard level of service is provided around the world and that office actions are in consonance with DCI and DDA directives. The Headquarters staff essentially works in harmony with the areas to negotiate with other agencies and departments to present a unified budget, to allocate resources in response to the greatest need, maintain network information and statistics, and to ensure that standard procedures and practices are followed. The OC Headquarters staff also provides support to CIA Headquarters and the Intelligence Community, provides telephone and secure voice service, support to data exchange systems and communications for other directorates. Area Headquarters are not in a position to perform such functions and OC activities would be dysfunctional without a great degree of standardization.

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INSPECTOR GENERAL
77-1781

15 AUG 1977

DD/A Registry
77-4584

MEMORANDUM FOR: Acting Deputy Director for Administration

FROM : John H. Waller
Inspector General

SUBJECT : Inspector General's Survey of the Office of
Communications

1. Attached is the final draft of our report on the Office of Communications. The preceding draft was informally reviewed for factual accuracy by the Director of Communications.

2. Subject to your comments we propose to send this draft to the Acting DDCI as is. We would appreciate your comments within the week so that the report can be forwarded before the end of this month.

[REDACTED]

John H. Waller

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INSPECTOR GENERAL'S SURVEY
OF THE
OFFICE OF COMMUNICATIONS

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Preface

This report presents the Inspector General's findings from an inspection of the Office of Communications. Four inspectors devoted March through June 1977 to it.

25X1A All [REDACTED] installations, area headquarters, and bases of the Office of Communications were inspected, as were a sample of 33 of its field stations. The inspectors surveyed facilities, examined files, and by visiting homes and talking to spouses gained an appreciation of housing and living conditions. Some [REDACTED] employees of the Office of Communications were interviewed. One hundred fifty additional interviews were with chiefs of station or base, [REDACTED] and other members of the missions.

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I. Summary

If there is one subject on which all those in the mainstream of the Office of Communications (OC) are in full accord, it is that they are members of the world's best communications organization. They are proud and we believe rightly so.

Yet there are issues that are troublesome now and bid to be more troublesome in the future. Personnel-dominated issues (Section III) are primary among them. For almost all groups in OC the specific issues tend to be symptomatic of a widespread need for recognition. Despite some efforts to meet this need, management generally has been unsuccessful in dealing with it. The first five of our ten recommendations, all of which follow at the end of this Summary, deal with this need. Recommendation 6 addresses what we consider Cable Secretariat's more pressing need for increased staffing.

Effectiveness today is at a very high level, but future performance will depend on what is done to resolve the personnel-related problems and on the decisions made with regard to: (1) whether or not a high-frequency (HF) backup system should be retained as satellite systems improve;

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volume of traffic is justified (Section IV). In our discussion, we note the importance of an HF backup system and the problems that

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would confront the Agency if it no longer provided the communications services; we express our doubt about the ever-increasing volume of traffic. Recommendation 7 calls for comprehensive long-range planning to prepare for the uncertainty of the future, while Recommendation 8 calls for the Director of Communications (DC) and the Deputy Director for Operations (DDO) to encourage elimination of unnecessary and wasteful use of the communications system.

We found no problems with regard to compliance with U.S. law and standards of propriety. We also found that there is no violation of the privacy of the communications of any person or governmental organization in the Agency's handling of their communications (Section V).

The examination of communications security (COMSEC) led to the last two recommendations--9 and 10 (Section VI). We believe that the adequacy of the Agency's COMSEC program cannot be determined with certainty until the significance of the COMSEC threat is known. We recommend accordingly: first that there be an effort to define the COMSEC threat and then that steps be taken to ensure a program consistent with it. As an adjunct of security, we note the inadequacies of cover arrangements (Section VII). We can only suggest

 The report concludes with comments on OC's management philosophy and the possible benefits that might come with more decentralization (Section VIII).

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Our specific recommendations are:

Recommendation 1: that the Director of Communications provide more opportunity and equity by promoting those who perform well in positions of higher grade and by creating the position of master journeyman (GS-10) for those of long service whose contributions are above the norm.

Recommendation 2: that the Director of Communications use Quality Step Increases and achievement awards to reward those who may not be eligible for promotion but are otherwise deserving because of sustained high-level performance or unusual deed, and that he do so with the ceremony and publicity (within the Agency) to make them meaningful forms of recognition.

Recommendation 3: that the Director of Communications ensure that the secret ballot is used at all stages of the competitive evaluation process.

Recommendation 4: that the Director of Communications provide employees with timely information on available or forthcoming vacancies so that employees can express meaningful preferences.

Recommendation 5: that the Director of Communications make his recently reintroduced newsletter a regular monthly publication about people as well as technology and production and that, among other things, it be used to announce

promotions, Quality Step Increases, awards, commendations, and other actions that recognize individual performance.

Recommendation 6: that the Director of Communications undertake with Office of Personnel's assistance a staffing study of Cable Secretariat and, because of the time such a study will take, that he provide for personnel for interim relief.

Recommendation 7: that the Director of Communications bring together the disparate, and now largely technical, planning elements of OC to perform long-range planning that will be comprehensive, and will look ahead to the kind of organization the Office should have in the future and to the steps necessary to achieve that organization.

Recommendation 8: that the Director of Communications and the Deputy Director for Operations jointly remind users that communications are not free and should be used only when necessary, in as brief a form as possible; with appropriate, not overstated, precedence; and during normal working hours, except for good cause.

Recommendation 9: that the Director of Communications, in consultation with the Deputy Director for Intelligence, the Deputy Director for Operations, and the Deputy Director for Science & Technology (a) define the communications security (COMSEC) threat and establish its significance to the intelligence effort;

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and (b) then develop procedures to take COMSEC considerations into early account in the planning, development, and procurement of Agency equipment and, as necessary to ensure that this is done, propose modifications in regulations.

Recommendation 10: that the Director of Communications develop a plan and program of communications security education to reach the general population of the Agency, both those entering on duty and those on board, and that this program be implemented through the Director of Training.

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II. Introduction

The Office of Communications (OC) is different from other components of the Agency. It is much larger, employing some [REDACTED] people, and has a much larger Agency budget, [REDACTED] in FY 1977. Its job is more easily defined and understood, and perhaps for this reason it is easier to measure performance--traffic either is or is not getting to its destination in the allotted time and is being transmitted either with or without errors.

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OC is different, too, because so many of its people serve overseas at the GS-08 and 09 levels. Its average grade is 09.9, below the average for the rest of the Agency--even though, again unlike other components, there are few clerical positions to keep the average down.

Moreover, we know of no other component that routinely expects its GS-09's, 10's, and 11's to accept so much responsibility, or any in which it is so routinely accepted. A GS-09 and a GS-10 or 11 in a typical two-man station may be responsible for the operation and maintenance of one-half million dollars worth of equipment; responsible for being on-call 24 hours a day; responsible for getting the traffic to its destination regardless of the volume or the time it might take; responsible for the security of the facility, of transmissions, and of cryptographic materials; and responsible for good relationships

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We found them to be an impressive group of people. They take pride in their work and typically rise to the occasion. There is no doubt among them as to their superiority as professional communicators. They know they can do whatever is required more quickly and more reliably than others. It is hard to question their confidence when it is clear that other U.S. governmental organizations look to them when the chips are down.

The Office's management is entitled to take a bow for its part in these accomplishments. It has run a taut ship that does its job and above all does it well. Good equipment, good training, and good personnel have been blended into a highly efficient organization.

Nevertheless there are problems that have plagued OC for some years. Although the problems are old, they have become more troublesome because of the malaise affecting the Agency and because of changes in the environment. Nowadays, "new hires" have more schooling than was once the case and have correspondingly higher expectations (the military services, now made up entirely of volunteers, are no longer a dependable source of new hires); perquisites are fewer; life abroad is less pleasant because of increased hostility toward Americans; and, because an American life-style has become more costly overseas, there has been erosion of financial advantages. At the same time, some of the older employees, who have served abroad without a home tour for 10, 15, and more years, are anxious to return home--usually because their children are reaching high school and college age.

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The relatively small number of domestic assignments, particularly for communicators, makes it difficult for management to accommodate these desires. When accommodated the employee faces the financial burden of life in the Washington, D.C. area without the free housing and allowances he has become used to overseas. For all of these reasons the employees, new and not new, have become less accepting of their lot.

25X1A Although less accepting than they once were, many of them are reluctant to ask management questions about their careers and well being. We found this behavior somewhat surprising because in their work they are confident and self-reliant. Such behavior may be explained by the military backgrounds of so many of the employees and by the military traditions of OC, which for so long (1951-1965) was run by its creator, [REDACTED] But we believe it is also attributable to uncertainty and even fear about how management will react to being questioned. For probably the same reasons, some employees seemed hesitant to speak with us. Others, however, were enthusiastic about the opportunity this inspection gave them to voice their opinions.

Our inspection of OC at the outset promised to be easier than most. Its task was easily defined, its reputation good, and its people proud. Little of consequence could be wrong. The few persistent problems were accepted as insoluble and reflected on no one.

Now we have completed the inspection and have another view. The

promised simplicity never materialized. Instead, in true-to-life fashion the attributes had blemishes and the faults their reasons.

The Office is a complex organization and not easily described. We find ourselves likening it to a fine old tapestry: from a distance its superb qualities dominate, but as one draws near a number of snags and tears in the fabric begin to be visible. None of these is foreboding in its own right, but taken together they make one wonder if that fine old tapestry is up to the wear and tear of the future.

We have confidence that it is, but that some repair and preventive maintenance are necessary. To these ends we address the comments and recommendations of this report.

III. Personnel-Dominated Issues

We believe that personnel-dominated issues tend to permeate OC and are the most pressing that its management faces. In what follows in this section certain recurrent themes will be noted--whether we are discussing the problems of the communicator/cryptographer, of the Cable Secretariat, or of others. Briefly, these people feel too much ignored, overlooked, unappreciated--unrecognized. Although we focus our attention on these feelings and attitudes and the possible consequences of them, we wish to note that it would help if the small and common courtesies were practiced more consistently--particularly with regard to responding to employee's concerns and keeping them informed.

A. Promotion and Assignment for Communicators

The communicators, and their supporters in and out of OC, wonder what has to be done to earn promotion, for themselves or for colleagues they consider superior. They accept that headroom is a problem, but wonder why early retirement is not used to create some; they also wonder why Quality Step Increases (QSI's) are so rarely used, given the lack of headroom. They accept OC's system of competitive evaluation, if only because they cannot think of a better method, but wonder why promotion does not come even to those who have been, presumably on a competitive basis, assigned to higher-graded positions and have performed well in them. They accept that their journeyman

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level (GS-09) is lower than that of the technicians (GS-11),* but

wonder why the communicator who can maintain his equipment without the help of technicians is not paid their wages and when he advances cannot similarly "skip" grade 10.** They accept the need to be assignable, but wonder why assignments are arbitrary (to them) and not made in time to provide overlap with those whom they replace and in time to facilitate housing arrangements. And they accept the notion that their wages are reasonable in terms of the market place, but wonder why there is no recognition of the versatility they must display and of the conditions under which they must perform, i.e., so much more is expected of them that the norms of the market place are not valid for comparison.

These, one way or another, are the personnel issues that command everyone's attention. And they should; something needs to be done about them. But important as these issues are, we believe they are only symptomatic of a widely felt and often expressed need for recognition. A large number of OC's journeymen employees are chafing at never having received any sign that someone appreciates their professional competence and their contribution to the overall Agency effort. Perhaps they should know without being told, but for most there is limited opportunity for competitive promotion--the traditional sign. Also, because of the work, and therefore the work force, there is more of a gulf between manager and employee, more of a labor versus management attitude than in most elements of the Agency. The

*A technician in OC is one who maintains, repairs, and installs equipment; it is also a specific job category.

**Technicians literally are promoted from GS-09 to GS-10, but typically remain at the GS-10 level for only six months.

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people feel taken for granted and in many cases are certain that management treats them as interchangeable parts that will function, like any other good piece of equipment, wherever placed.

In seeking solutions to these and other personnel-related problems, OC's senior management has been trying to change to a management style that is more responsive to people and their needs. By and large we do not believe it has succeeded. Most of the senior managers seem to be dedicated to such change, but it has not permeated to enough middle- and lower-level managers. No doubt this situation was exacerbated when, unexpectedly, senior management's ranks were decimated by early retirements in 1975. In filling these vacancies the more experienced middle-level managers were drawn upon, thereby passing the impact on to the middle and lower levels of management. The situation was not helped when so many of the vacant positions were filled by engineers who were of the appropriate grade, but lacked field and managerial experience.

1. Promotion

Surprisingly, a significant number of complainants about the lack of opportunity for telecommunicators (and cryptographers) to be promoted do not blame OC's present management for the situation. Many of them, particularly the GS-09's, are unhappy and believe they were misled when new employees. Even so, they complain less about money or about the journeyman level being GS-09 than about never receiving any recognition or reward

for good, sustained performance. More than anything else, recognition is competitive promotion--ergo, they would like to see more GS-10 positions.

Some of the older hands have become cynical, expressing the view that management knows they are "locked in" and will stay whether or not promoted. Younger employees, aware of the situation and less accepting of it, are more inclined to seek other opportunities if advancement is not forthcoming within two or three tours. And to the extent that management promotes the young, for whatever reasons, it provides nourishment for the cynics.

a. Grade Structure

Promotion and grade structure are inextricably tied together: management must have slots to which it can promote, if it is to promote. OC's management has sought and continues to seek upgrading of some positions. Currently it expects that automated field equipment, which is about to be introduced, will provide convincing justification because of its technical requirements. OC, however, cannot make such changes unilaterally; agreement must be sought from the Position Management and Compensation Division (PMCD) of the Office of Personnel (which has criteria that must be met) and must fit within the average grade imposed upon the Agency by the Office of

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Management and Budget.

The problem with OC's grade structure for communicators is that there are [REDACTED] GS-09, or journeyman, positions and only [REDACTED] GS-10 positions. There are actually more GS-11 positions, some [REDACTED]. Consequently, there is a narrow and unusual waist to the grade pyramid. With [REDACTED] positions at the GS-10 and GS-11 levels, it is clear that through the years a large number of GS-09's have been promoted. But in more recent years, as the organization has stabilized and attrition rates have been low, there have been few vacancies and equally few promotions.

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We have also observed a different kind of promotion problem: OC's senior managers are frequently one grade below their slots. Enough of them noted or complained of the situation, and we cannot help but wonder about it--in part because the practice is widespread and in part because the practice parallels what often happens to communicators. Although many of these managers are in their current positions because of the large number of retirements in 1975, hence have not been in them for uncommonly long, we believe it only fair that those who serve successfully be promoted to the grades of their positions.

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b. Competitive Evaluation

OC's competitive evaluation system is used for promotions and assignments, particularly the former. There are complaints about it, but overall a perhaps grudging acceptance because people cannot suggest a better method. We did note, not surprisingly, that enthusiasm for the system correlates with one's success under the system. Several complaints surfaced with frequency: first, that the system is no better than the people who participate--individuals, particularly senior ones, can dominate panels, "buddies" are still favored, old deeds or misdeeds cannot be outlived, and the like; second, that assignment to a new geographical area invariably means, as the "new boy," being relegated to the lower reaches of the competitive lists; third, that information not in their personnel files is used in the process; and last, that information on training and assignments that should be in their files often is not, particularly in the field. In recognition of the validity of the complaint about the effect of assignment to a new area, management has begun to send the most recent one or two fitness reports and the standings from the most recent competitive evaluation to area headquarters to provide history on individuals and to foster more

uniform and consistent evaluations.

We consider this step desirable, but not enough. We believe that the secret ballot should be used for the preliminary and consolidated evaluation lists, a practice not now universally followed. Also, we question the use of material that is not part of some record or subject to verification. We view it as a matter of fairness to the employee.

2. Assignments

The more or less biennial assignments become a sore point more because of shortcomings in the way they are administered than because of failure to receive desired assignments. Complaints focus on assignments being late and changed without explanation. Late assignments frequently mean no overlap with predecessors (which is bothersome to field managers), unnecessarily long waits for housing, and sometimes long-time separation from household effects. Late assignments are also just one more way in which our people are distinguished [REDACTED] There is some feeling, too, that there should be an opportunity to volunteer for positions. The employees accept that the "green sheet" gives them the opportunity to express preferences, but believe it is done in a vacuum because they have no knowledge of the jobs to be filled.

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Although there is recognition of the limitations placed on

management--all employees are not suitable for all locations and jobs and vice versa--there is still concern and question about how the assignment process really works. To many it is hit or miss, and there is little appreciation of how many assignments can be affected when just one falls through. And as is usually the case, management's recognition of personal circumstances always seems to get less publicity than its real or fancied failure to do so.

3. Recommendations

Before making our recommendations on these issues, we wish to note that OC's management has not been unaware or impassive about these matters. It has decided recently, for example: to try to the extent practicable to fill positions with volunteers; to try to obtain more GS-10 positions; to increase its use of the QSI; to study the implications of creating the position of master journeyman; to authorize language training for employees and their spouses; and to consider a promotion list of some minimum number, all of whom would be promoted as vacancies occur and before anyone else became eligible.

Nevertheless, we believe that more can and should be done. We do not advocate raising the journeyman level, but believe that some journeyman communicators (and cryptographers) are underpaid, given their responsibilities and capabilities, and that most of them receive too little recognition. Accordingly, we

recommend:

Recommendation 1: that the Director of Communications provide more opportunity and equity by promoting those who perform well in positions of higher grade and by creating the position of master journeyman (GS-10) for those of long service whose contributions are above the norm.

Recommendation 2: that the Director of Communications use Quality Step Increases and achievement awards to reward those who may not be eligible for promotion but are otherwise deserving because of sustained high-level performance or unusual deed, and that he do so with the ceremony and publicity (within the Agency) to make them meaningful forms of recognition.

Recommendation 3: that the Director of Communications ensure that the secret ballot is used at all stages of the competitive evaluation process.

Recommendation 4: that the Director of Communications provide employees with timely information on available or forthcoming vacancies so that employees can express meaningful preferences.

Recommendation 5: that the Director of Communications make his recently reintroduced newsletter a regular monthly publication about people as well as technology and production and that, among other things, it be used to announce promotions, Quality Step Increases, awards, commendations, and other actions

that recognize individual performance.

B. Cable Secretariat

The preceding discussion focused on the promotion and assignment problems of communicators/cryptographers. It was not possible in that context to do justice to the situation in the Cable Secretariat, even though there are some ostensible similarities--the most obvious of which are relatively large numbers of people in low grades who have limited opportunities for promotion.

In Cable Secretariat the problem is worse because the wages are significantly lower and the work repetitious and monotonous. In January 1977 one-third of the work force was below the GS-06 level and more than one-half was below GS-08. Low pay, pressure to increase productivity and to reduce the error rate, and tedium have created a morale problem. Matters have not been helped by the EEO issues with which the Cable Secretariat has been beset, issues ranging from perceptions by minorities of job and promotion discrimination to alleged sex and age discrimination.

Nor have matters been helped by absorption into OC. There seem to be fond memories of former days as an independent office in the DCI area. They give three reasons. (1) Their role, which they believe is held in generally low esteem throughout the Agency, is ignored or held in even lower esteem by OC. (2) Opportunities for promotion beyond GS-12 have disappeared for them. Without a GS-13

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slot in Cable Secretariat, the chief's and deputy chief's jobs, GS-15 and 14 respectively, will henceforth be filled by other OC'ers.

(3) The two senior jobs may provide opportunity for others in OC, but Cable Secretariat employees have no opportunities to transfer or to qualify for transfer to other jobs in OC.

Some employees have labeled Cable Secretariat's management as "insensitive," "partial to chosen employees," "lacking candor and honesty in dealing with employees," and "not caring about the employees." But other employees label that same management as "attentive," "bending over backwards to help personnel," and "producing a close-knit and good team effort." These conflicting statements do not provide a basis for general conclusions reflecting, as they do, different perceptions and reactions to different supervisors. In typical fashion supervisors are chosen because of their ability to process the largest number of cables and not on their ability to manage people. Cable Secretariat's manning table indicates that it may have too many supervisory levels and, in general, too many employees of different grades doing the same work.

Recognition, in the form of QSI's or other awards, is rare. Employees have little opportunity for internal or external training, and many stated that OC's management has left them with the impression that attempts from below to suggest better methods of processing the tremendous volume of cables would be unwelcome.

We believe management can take steps to overcome the complexes

that its employees have developed from believing that "nobody gives a damn" for too many years. These steps, by Cable Secretariat's own management, would include the investment of time in staff meetings, in serious solicitation of employees' ideas for improvement, in counseling, and in training opportunities. At the same time, OC's senior management should start treating Cable Secretariat as an integral part of OC. We urge both these levels of management to be alert for opportunities to provide employees with recognition, from "pats on the back" to QSI's and achievement awards.

But more than anything else, we believe the major problem confronting Cable Secretariat is that it is understaffed; its people are always under pressure and always fighting backlogs. The automated Cable Dissemination System now being tested may in time relieve this problem but it will be a limited form of relief that may do no more than offset the great increase in volume. With more appropriate staffing some of the other problems would lessen and even tend to disappear.

Accordingly, we reiterate the applicability of Recommendation 2 to Cable Secretariat and make the following additional recommendation:

Recommendation 6: that the Director of Communications undertake with Office of Personnel's assistance a staffing study of Cable Secretariat and, because of the time such a study will take, that he provide for personnel for interim relief.

C. Other Personnel Issues

A potpourri of other personnel issues were raised. Many of

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these were the concerns of individuals and not shared by others or many others. Several, however, recurred with frequency and were to be heard in all four corners:

- (1) marriage to foreign nationals;
- (2) per diem [REDACTED]
- (3) ability to retire under the voluntary/involuntary system; and
- (4) career counseling.

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Items (1) through (3) are invariably put forth as examples of OC'ers receiving different, and inferior, treatment from other Agency employees.

1. Marriage to Foreign Nationals

Communicators who raised this issue consider it a prime example of discrimination against them. Where they announce their intentions to marry foreign nationals, they lose their crypto clearance. They allege that this is not the case in the DO or in any other component of the Agency, and that State communications personnel are allowed to marry foreigners and remain on the job.

They are correct that some DO personnel have married foreigners and not lost their crypto clearances and that State personnel may do the same. We do not take issue with the Agency having more stringent requirements than other members of the Intelligence Community, and note that the Agency's rules come

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as no surprise to those now protesting--they were told when they entered on duty. We do, however, believe it improper not to apply those requirements uniformly within the Agency.

The present situation seems to be that OC is strict constructionist about the applicable Agency regulations and the DO is not. Their circumstances, however, are different: OC's people have access to all traffic, cryptographic gear, keying material, and the like; DO's people, by and large, have cryptographic clearance so that they can have access to communications centers.

Regardless of access, the regulations do allow for waivers if an employee cannot be replaced. OC accepts that its people are replaceable, whereas the DO does not and is willing to testify to that effect. Faced with such testimony, the Director of Communications has felt obliged to grant waivers. We find it hard to believe that DO personnel are irreplaceable when they have typically served two-year tours.

We note also that the present policy encourages cohabitation without marriage. Unmarried cohabitation with a foreigner can go unnoticed, but married cohabitation--which is forbidden the communicator who will keep his job--cannot.

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complain that the amount is inadequate, that it effectively precludes having their families with them for the duration of their training and until they are reassigned, perhaps several months.

We believe that this is a classic case of misunderstanding compounded by inflation. OC could bring these people back for training PCS, in which case they would have to bear all their costs of living. Instead OC is bringing them back TDY and providing what it believes is adequate per diem for housing. Thus management believes it has been generous, while the recipients of the generosity feel cheated. It is possible that the \$12 is no longer adequate to provide family housing in the [REDACTED]-perhaps particularly so for those with large families. We suggest that its adequacy be reexamined. (OC, on its own authority, could pay up to \$35.)

3. Voluntary/Involuntary Retirement

Objections to OC'ers not being allowed to retire under the voluntary/involuntary retirement plan were frequent. Some of the objectors clearly want to retire now for personal reasons, but others are concerned about not having a privilege that is available to most Agency employees. We do not know how many of OC's people would take advantage of retirement under a voluntary/involuntary plan if it were offered to them but, from age and grade distributions by years of service, we do not believe

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that any serious manning problems would result.

Recently--for several months--the communicators were subjected to an isolated but deliberate policy of being understrength. Consequently, they may have been denied an option available to most others, and the responsible management may have been denying itself an opportunity to obtain headroom. OC now expects to be in surplus by April 1978, which will make this issue disappear.

4. Career Counseling

The comment heard most often from those with whom we talked about OC's Career Management Division was that it did not have professional counselors. Although those on the staff are considered to be well-intentioned, the absence of professionalism is an irritant to all grade levels and in all panels. "He's just a tech like me and besides we might serve together on the next tour."

But the comments were not, by any means, all negative. Many appreciated at least aspects of the counseling effort, particularly being told in detail about their competitive standings. They made sharp distinction between the officer from area headquarters who bothers to learn something about those he will be counseling and the one who does not.

Overall, we believe OC needs to make sure that all who are engaged in counseling have the same understanding of its purpose and of how it is to be practiced.

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In fact, career counseling and even career management are misleading terms, raising expectations in some that will not and cannot be fulfilled. An unambiguous statement of what the employee can expect and can contribute to the process should help.

If our experience on this inspection is any indication, more sitting and listening, and knowledge of the communicator being counseled, would enhance the effort. Doing so could surface incipient problems and would do much to overcome the widespread belief that nobody cares.

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IV. Operational Effectiveness

To most of us in the Agency OC is staff communications. We have come to take for granted that all-source messages can be reliably transmitted to or received from virtually any part of the world as promptly as the indicated precedence calls for. To a much smaller, but still substantial, body of OC employees and users it also has represented covert communications.

A. Staff Communications

The Agency's entry into communications in its early days was to provide a capability for covert communications. It was not until the early 1960's, when OMB decided that for reasons of economy there should be a world-wide governmental communications system and that CIA should run it, that the current staff communications system began to develop in size and sophistication. Although CIA's role is subject [REDACTED], if the criteria continue to be efficiency and economy, no change is likely in the near term.

To the point that it is marked and obvious, OC uses significantly fewer people to do more [REDACTED]

[REDACTED] Doing more not only entails handling more traffic, but being more versatile--being able to operate a greater variety of equipment, including emergency equipment, and being able to maintain it. These capabilities are topped off with a dedication that often is lacking elsewhere, certainly if one can judge by willingness to put in

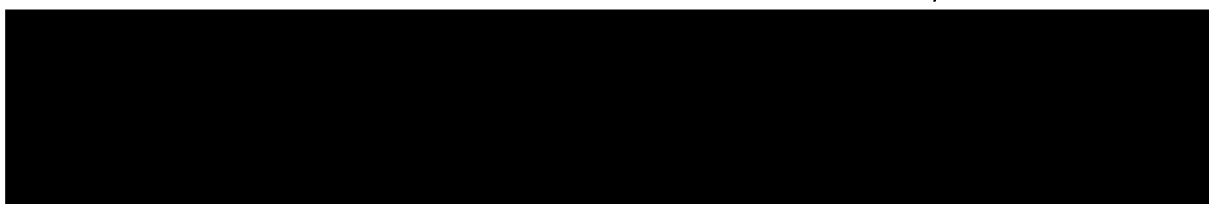
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extra time, to respond to call-ins during nights and weekends, and to ensure that incoming traffic is on customers' desks by the opening of the work day.

As we proceeded with this inspection, it struck us that there were three basic questions that were ever present in any consideration of staff communications. The first of these questions is an Agency or OC matter: whether or not, as satellite systems improve in reliability, we should maintain a world-wide HF backup system, particularly in light of its requirements for manpower. The second question is



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the solution for the last 20 years of this century. The third question also is government-wide and has implications for the whole system: whether or not the ever increasing volume of traffic is justified.

The answer to the first question is a matter of policy with regard to the needs of this Agency and the rest of the government for communications services. Unless one is willing to sacrifice reliable and timely communications, there is no alternative to maintaining an HF capability. In some parts of the world, because of local law or policy, we cannot and are not likely to be able to use satellite communications. More basic, though, is that today's satellites are

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C. Support

The transmission and receipt of staff and covert traffic are the reasons for OC. To produce these services OC engages in numerous other activities--the technical activities of engineering and maintenance, communications security, processing and dissemination, and training. Communications security is a subject in its own right and is treated in Section VI. Processing and dissemination are the responsibility of the Cable Secretariat, which we discussed in Section III. Here we briefly examine engineering, maintenance, and training.

1. Engineering

OC's engineers are tasked with the design, acquisition, and maintenance of a modern, world-wide communications system--one that is expected to stay abreast of the state-of-the-art. If the current staff system, and the way it compares favorably with others, is any indication, they have been and are continuing to do their job well. Any criticisms that may have reflected on the engineering effort have focused on covert communications. With the transfer of R&D for covert communications in 1973 and the recent decision by the EAG, performance in this role has become academic.

2. Maintenance

Maintenance is supervised by the engineers, performed by the technicians and communicators, and supported by logistics.

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The engineers and technicians work primarily out of the area headquarters and base stations and out of the Washington, D.C. area. They are responsible for new installations, major overhauls and modifications, and any maintenance beyond the routine. Routine maintenance is performed by the communicators (but not by cryptographers). It might be noted that routine maintenance, because of restricted access to the communications facilities, also include housekeeping, carpentry, and just about anything that needs doing--not just upkeep of communications equipment.

Although there are occasional complaints of slow response in sending assistance or parts, we found no instance of communications ever being down for such reasons. By and large the logistics system, particularly with regard to communications equipment, works well. Several times we were told that support [REDACTED] is slow unless a cable is sent and a date, by which the parts or supplies are needed, is specified. There seemed to be reluctance to send cables for routine resupply. A few, to overcome this problem, over-ordered in anticipation of future needs. By and large, though, these problems--where they exist--are minor and their solutions would seem to require only some better coordination.

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3. Training

The heart of OC's training effort is the [REDACTED]

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[REDACTED]. Without having any professional educators on the staff, [REDACTED] has achieved and maintains a high level of professionalism. It is unique in the comprehensiveness of the skills taught. Courses are carefully planned and tested before inclusion in the curriculum. When offered they are critiqued by the students and evaluated by the staff. There seems to be little doubt that [REDACTED] turns out the best communicators, bar none. So much so, we are told, that they are attractive to other employers, which drives up the attrition rate. Thus, it behooves management, even more, to resolve the personnel and personnel-related problems.

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D. Recommendations

OC's task with regard to effectiveness is to continue to do as well as it has been doing. In this section, but more so in the preceding sections, we have noted problems that we believe will have an impact on future performance--unless offsetting actions are taken.

To deal with this situation, and with what we suspect is sometimes less than desired decisiveness, we believe that OC must look to the future in an organized and disciplined way (and thereby show the way to the rest of the Agency). Accordingly, we recommend:

Recommendation 7: that the Director of Communications bring together the disparate, and now largely technical, planning

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elements of OC to perform long-range planning that will be comprehensive, and will look ahead to the kind of organization the Office should have in the future and to the steps necessary to achieve that organization.

Recommendation 8: that the Director of Communications and the Deputy Director for Operations jointly remind users that communications are not free and should be used only when necessary, in as brief a form as possible; with appropriate, not overstated, precedence; and during normal working hours, except for good cause.

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attempts to infringe on privacy and explicit OC procedures are in effect to report violations.

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VI. Communications Security

OC, not the Office of Security, is responsible for communications security (COMSEC). It has Agency-wide responsibilities but, as sometimes happens, without corresponding authority. In an earlier time, before the widespread use of electronic equipment, responsibilities were focused on communications equipment as traditionally and narrowly defined--hence were largely intra-OC. Today there is hardly a component that does not use equipment that could or should be of concern.

The COMSEC staff procures, distributes, and accounts for the Agency's cryptographic keying material (which originates with NSA); through its TEMPEST program seeks to detect and prevent emanations from communications and other equipment that are susceptible to exploitation by the opposition; and conducts programs to detect and guard against technical penetrations of machines. Encapsulation and development of key card dispensers are examples of efforts to forestall and to reveal tampering with keying material. Shielded enclosures, and the recently developed devices to test automatically for any leaks from them, are examples of efforts to prevent exploitable radiation.

Because OC's facilities are so numerous and so widely dispersed around the world, it often finds itself handling physical and personal security matters as well and, for these same reasons, it has been made responsible for ensuring its own compliance with the Agency's safety program. Naturally enough, it also represents the Agency on government

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bodies concerned with COMSEC.

There are some ten COMSEC people stationed at overseas area headquarters, [REDACTED]

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They strive to visit each field installation once a year to ensure that equipment modifications have been made in secure fashion, to check on physical security within the communications area, to inspect cryptographic materials and accounts, and to perform safety inspections. Because it is physically impossible for them, with present staffing, to visit all facilities once a year, the engineering and operations officers from area headquarters perform some of the COMSEC inspection functions on their visits.

All TEMPEST inspections are done by personnel from headquarters. With the limited staffing available for this work (about 15) and with the large number of industrial facilities that also need to be inspected, their schedule permits an inspection about once in five years. Such a schedule may be tolerable for the 80 or so OC installations that have shielded enclosures, particularly since they now have test devices that automatically detect radiation leaks, but strikes us as woefully inadequate for the others.

All told the COMSEC staff has about [REDACTED] of whom are in the headquarters area, and has an FY 1977 budget of some [REDACTED] exclusive of personnel costs.

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A. The Threat

The world of the COMSEC officer holds many threats. Technical penetration of machines is only the first. Anything that processes classified material--typewriters, dictaphones, duplicators, computer terminals, privacy radio devices, and the like--may radiate emanations that can be intercepted. One model of a typewriter may be found clean; later models may include slight engineering modifications that render it vulnerable. A piece of equipment, secure in itself, may amplify its signal significantly when someone puts his hand on it. Even shielded enclosures may leak exploitable radiation--dirt accumulating on the teeth of a door latch may cause it, or modification of air-conditioning equipment, or addition of a fire-alarm system.

Improvements in technology may themselves produce threats--as in the case of miniaturization that puts all of the cryptology on a single chip, thereby increasing concern for contractor security and raising questions, for example, about what is done with the rejects.

If an agent's radio transmission interferes with his neighbor's TV reception, the ensuing investigation may terminate his usefulness. This has happened in [REDACTED] underscoring a different threat--that of electromagnetic interference (EMI).

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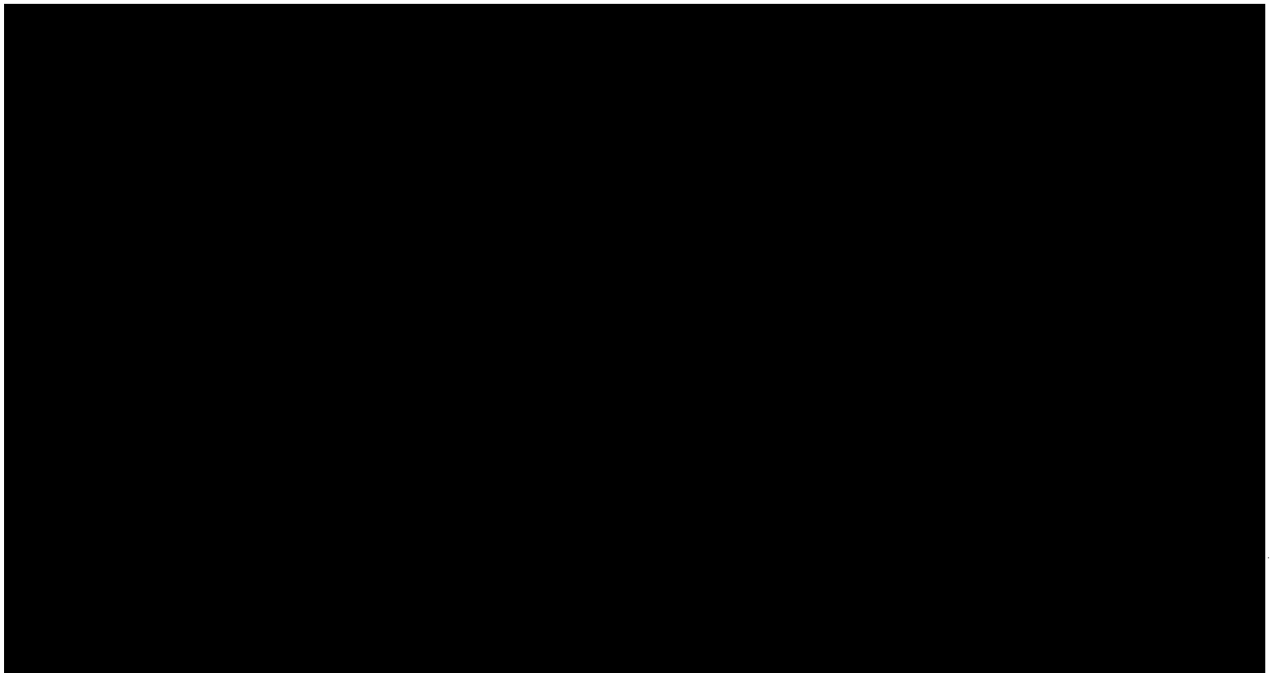
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C. Regulations

The mission of the Director of Communications includes "advising on all communications security (COMSEC), technical, and operational matters pertaining to electronic communications that have a bearing on those aspects of the security of the United States for which the Agency is responsible." [REDACTED]

The DC's functions include "establish and implement the Agency's Emanations Security Program for telecommunications equipment and all other electronic and electromechanical equipment which is used to process classified information. This program will include coordinating policy, establishing standards, testing, designing counter-measures, making technical inspections of Agency installations, and recommending for approval the procurement or lease of all such

processing equipment." [REDACTED]

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OC probably is best able to carry out these functions within the Directorate of Administration; there, for example, the procurement of commercially available word-processing equipment and computers requires COMSEC approval. However, in the case of items not commercially available--where research, development, and new systems are involved--there is less certainty of COMSEC involvement and some procurement does proceed without any COMSEC consultation. Assignment of COMSEC officers to some DS&T offices mitigates the problem in that Directorate, but does not guarantee that requests for proposals (RFPs) or unsolicited proposals will be acted on with COMSEC consideration.

We believe the regulations, and the procedures developed pursuant to regulations, may not adequately set formal responsibility and accountability in the COMSEC area. Lack of provision for the EMI threat is one example. Another is lack of provision for COMSEC involvement at an early enough stage in programming, planning, and budgeting to ensure proper consideration of it. A complicating factor, in view of the COMSEC Staff, is the irresolution of the regulations quoted above. "[E]stablish and implement the Agency's Emanations Security Program" appears a straightforward charge to the DC, but it occurs under the umbrella of a mission statement that limits his COMSEC role to "advising." The result, particularly in COMSEC approaches to Directorates outside the Directorate of Administration,

is diffidence and reliance upon personal negotiation and accommodation.

D. Recommendations

We are not advocating control through detailed regulation, but conscious decision as to policy and procedure. The transfer of Covert Engineering Division from OC and of Division D from DO to D/S&T, both 1977 actions, makes it an appropriate time to underscore the responsibilities of the COMSEC Staff. As a general principle, we endorse its involvement not only in procurement, but also at an early stage in the development of electronic equipment that processes classified information. We understand that OC has considered proposing regulations along some of these lines. It is also our view that such measures should be amplified by a program of headquarters and field education to ensure full awareness within the Agency of COMSEC responsibility and of the threats to communications security. Although such awareness seems widespread within OC and the DO, as a result of specific training programs, we judge the Agency as a whole to be relatively uneducated. The generally recognized cavalier use of black telephone lines, and the use of red lines as if they were cryptographically secure, need only be cited in evidence.

We recognize that the present COMSEC Staff might have to be considerably larger if it were to take on such added responsibilities. Thus, the importance attached to the threat is of primary consideration. Accordingly, we recommend:

Recommendation 9: that the Director of Communications, in

consultation with the Deputy Director for Intelligence, the Deputy Director for Operations, and the Deputy Director for Science & Technology (a) define the communications security (COMSEC) threat and establish its significance to the intelligence effort; and (b) then develop procedures to take COMSEC considerations into early account in the planning, development, and procurement of Agency equipment and, as necessary to ensure that this is done, propose modifications in regulations.

Recommendation 10: that the Director of Communications develop a plan and program of communications security education to reach the general population of the Agency, both those entering on duty and those on board, and that this program be implemented through the Director of Training.

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VIII. Management Philosophy

OC's management is centralized. The six area headquarters do not represent the decentralization their existence might suggest. They are too closely tied to Headquarters by good, rapid, and essentially free communications.

We have no quarrel with the degree of centralization; centralized and decentralized structures can and do work. But given the duplication of facilities and capabilities between Headquarters and the area headquarters, we question whether both need to be as large as they are. One or the other would seem to lend itself to some reduction.

As we have already noted, many employees consider OC's management to be impersonal and disinterested. Although management style and personality are factors, the size and far-flung nature of the organization contribute significantly. Large organizations invariably find it more difficult to be responsive to employees than do smaller ones.

We emphasize, whether management is centralized or decentralized, that we believe area headquarters have their place--they serve as a training ground for managers, provide backup and resources in times of crisis, and are regional centers for logistics, repair, security, and other matters. Nevertheless, there is that redundancy with Headquarters. We are inclined to suggest that Headquarters play the role of a corporate headquarters, making policy and establishing guidelines, and that area headquarters have more opportunity to act as

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semi-autonomous corporate divisions.

Accordingly, we urge OC to examine its management philosophy (and possibly its structure). We have in mind that with more autonomy area chiefs might have the authority to promote (which would elevate the PCEL and eliminate the CCEL)*, would be able to resolve more problems in the field, would be able to meet periodically among themselves, and would be consulted by Headquarters about significant decisions.

*The PCEL, or preliminary competitive evaluation list, is prepared by the areas, among others, and is an input to the CCEL or consolidated (worldwide) competitive evaluation list.

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